

## Community Development Committee

Meeting date: January 21, 2020

**Subject:** 2020 Annual Livable Communities Fund Distribution Plan

**District(s), Member(s):** All

**Policy/Legal Reference:** Livable Communities Act (Minn. Stat. § 473.25)

**Staff Prepared/Presented:** Tara Beard, Livable Communities Manager (651-602-1051)

**Division/Department:** Community Development / Regional Planning

### Proposed Action

None. Information and discussion only.

### Background

The Livable Communities Act requires that the Council prepare an annual plan for distribution of the Livable Communities funds based on criteria developed by the Council. The annual Livable Communities Fund Distribution Plan establishes the amount of funding that will be available for grant awards from each of the Livable Communities accounts; sets the calendar for the grants making processes; and sets forth the criteria upon which applications are reviewed and grant awards are based. At the January 21 Committee meeting, Council staff seek direction from the Committee Members particularly on the latter, with a focus on clearly aligning grant criteria with the policies and goals of the Council.

Council staff have sought and will continue to seek input on the 2020 Fund Distribution Plan from individual communities, Metro Cities, and other stakeholders. Council staff will incorporate the Committee's input and prepare the 2020 Fund Distribution Plan for adoption in February. The final Fund Distribution Plan will include funding amounts available and the calendar for 2020 programs.

### *2020 Fund Distribution Plan Summary of Proposed Changes for Discussion*

The Fund Distribution Plan is organized primarily by grant program:

- Livable Communities Demonstration Account (including pre-development)
- Local Housing Incentives Account
- Tax Base Revitalization Account
- Livable Communities Demonstration Account – Transit Oriented Development (including pre-development).

One item that impacts all accounts is discussed below, followed by a summary of proposed changes to consider in each individual account. A full description of proposed changes to each account is provided in Attachment A.

Staff have identified aspects of the Fund Distribution Plan (FDP) that warrant additional exploration yet are not identified in this report; and the Committee may also identify additional areas for further investigation. Staff-identified items require more substantial investigation and outreach that will be sought throughout 2020 to inform recommendations for the 2021 FDP. Staff welcome Committee input on what aspects of the program they would like staff to explore throughout 2020.

## **Housing Performance Scores – Proposed Change Impacting All Accounts**

Council staff propose removing housing performance scores from the scoring criteria for all LCA programs. Housing Performance Scores, in use as scoring criteria since the 1990s, are an annual measure calculated on a 0-100 scale to assess individual cities' efforts to create affordable housing opportunities. Housing Performance Scores are valuable measures of local efforts and help the Council track the policies and projects that are being successfully used to create affordable housing in the region. However, they are not designed in a way that translates to prioritizing one community over another in the LCDA scoring process.

While the specific methodology used to calculate the Scores has changed over the years, generally Scores have always considered a community's existing affordable housing stock, the programs and policies it uses to create affordable housing opportunities, and the number of new or preserved affordable housing units created over a specific period of time.

For the Local Housing Incentives Account (LHIA), lower Housing Performance Scores receive more points because the purpose of the fund is to help increase housing choices in communities that need help achieving their affordable housing goals.

For all other LCA accounts, a higher Score means more points in the grant scoring process, with the intention of incentivizing communities to reach their affordable housing goals.

The rationale for eliminating Housing Performance Scores from LCA funding criteria includes the following:

- A project's ability to create affordable housing opportunities is scored in other, project-based ways.
- Housing Performance Scores could cause a project in a community with less *existing* affordable housing to score lower than a project in a community with more *existing* affordable housing (in all accounts other than LHIA). This result appears contrary to one of the purposes of the Livable Communities Act to create a full range of housing choices throughout the region.
- The addition of the Scores also can have the effect of elevating some lower scoring projects above other higher scoring in different communities that have lower Housing Performance Scores.
- In current practice, a community's Score is adjusted from its 0-100 value to a 1-10 scale for LCA scoring purposes, reducing the impact of differing scores significantly.
- Housing Performance Scores are inserted into the funding review process after all other criteria are scored, including criteria that evaluates the project's ability to create affordable housing

## **Livable Communities Demonstration Account (LCDA)**

### **LCDA – Regular Program**

- Add criteria prioritizing projects that enhance social interactions and human connection
- Increase emphasis on evaluating potential displacement impacts and providing mitigation strategies if needed
- Add criteria prioritizing projects that can and will share valuable information learned with the rest of the region
- Adjust points to place higher value on project readiness

### **LCDA Pre-development**

- Clarify that pre-development activities may provide or assess the potential to provide desired

- outcomes to better align with purpose of pre-development support
- Add criteria prioritizing projects that enhance social interactions and human connection
- Increase emphasis on evaluating potential displacement impacts and providing mitigation strategies if needed
- Prioritize pre-development activities that not only include community engagement but plan for ongoing engagement if project progresses

**Local Housing Incentives Account (LHIA)**

- Prioritize proposals that consider displacement impact and mitigation strategies
- Prioritize proposals that provide a housing type not currently available or serve a population not currently served in or near the project area

**Tax Base Revitalization Account (TBRA)**

**TBRA Site Investigation and Contamination Cleanup**

- Remove criteria that is no longer highly prioritized

**TBRA Seeding Equitable Environmental Development (SEED)**

The TBRA SEED program was created in 2015 as a 2-year pilot that would allow awarding Contamination Cleanup funds to projects in Areas of Concentrated Poverty, on sites *without* an identified development project, with the goal of creating jobs by supporting the cleanup of the site to make it more attractive for potential redevelopment. Evaluation criteria for the program is like other TBRA programs, but allows for potential outcomes to be considered in lieu of a shovel-ready project.

Unfortunately, SEED has been consistently undersubscribed and in some grant rounds we have received no applications at all. A summary of requests and awards is shown below in Table 1.

Table 1. Summary of SEED requests/awards

Year	Number of Applications	Amount Requested	Amount Available	% Over / (Under) Subscribed	# Applications Funded	Amount TBRA SEED/Pilot Awarded	Remaining Fund Balance
2015	7	\$ 218,335	\$1,000,000	(22%)	7	\$ 204,100	\$ 795,900
2016	2	\$ 109,936	\$1,000,000	(11%)	2	\$ 89,800	\$ 910,200
2017	2	\$ 22,800	\$1,000,000	(2%)	2	\$ 22,800	\$ 977,200
2018	4	\$ 927,487	\$1,000,000	(93%)	4	\$ 922,100	\$ 77,900
2019	2	\$ 74,473	\$ 500,000	(15%)	2	\$ 55,500	\$ 444,500

Staff have spoken with stakeholders and applicants and have heard that the program is useful and serves a need. However, the amount and number of applications may not reflect that sentiment. Other than 2018, when 93% of the \$1M available was awarded, the program has only resulted in annual awards ranging from \$23,000 to \$204,000 (for multiple projects). The Fund Distribution Plan has always allowed unused SEED funds to be used in other TBRA projects, but it is reasonable to consider if the time and effort of an additional program is worth the limited impact it has had. Staff welcomes discussion and questions from the Committee and asks for consideration of the following paths forward:

1. Continue the SEED program as-is, recognizing it may be under-subscribed, but still provides a valuable source of equitable cleanup funding to the region.
2. Investigate alternative ways to further equity outcomes through the Tax Base Revitalization Account.

Staff does not have recommended changes to SEED scoring criteria at this time, other than removing Housing Performance Scores from the scoring as discussed earlier.

### **LCDA – Transit Oriented Development (LCDA – TOD)**

#### LCDA – TOD – Summary of Proposed Changes

- Better describe TOD characteristics that are prioritized
- Prioritize equitable development outcomes
- Deepen transit ridership evaluation by comparing impacts to traditional development
- Eliminate criteria that may prioritize additional investment and development that could lead to displacement of existing residents or businesses

#### LCDA – TOD Pre-development – Summary of Proposed Changes

- Clarify that pre-development activities may provide *or assess the potential to provide* desired outcomes to better align with purpose of pre-development support
- Add criteria prioritizing projects that can and will share valuable information learned with the rest of the region
- Eliminate criteria that may prioritize additional investment and development that could lead to displacement of existing residents or businesses

## Attachment A: Existing Criteria and Proposed Changes

### LCDA

Table 1. LCDA Step One Evaluation Criteria

Category	Criteria	Possible Points
Efficient Land Use and Site Design	<ul style="list-style-type: none"> <li>Intensified land use and increased density</li> <li>Adds to diversity of uses in project area</li> <li>Internal pedestrian circulation that is convenient, efficient and attractive</li> <li>Facilitates pedestrian activity and considers first floor activity, parking location, and wayfinding</li> </ul>	15
Connections	<ul style="list-style-type: none"> <li>Uses/maximized connections between housing, employment, education, retail and recreation</li> <li>Convenient, efficient and attractive access from the project site to the neighborhood or the surrounding community, emphasizing pedestrian/bike mobility</li> <li><u>Opportunities for social interaction, through location or design, to increase community connections</u></li> </ul>	<del>7</del> 8
Environmental Design	<ul style="list-style-type: none"> <li>Conserves, protects, enhances natural resources</li> <li>Incorporates green building design and/or energy efficiency</li> <li>Sustainable site design</li> </ul>	<del>7</del> 9
Jobs (Projects are scores as Jobs OR Housing projects, whichever scores higher)	<ul style="list-style-type: none"> <li>Expands employment opportunities, emphasizing living wage jobs and diversity of jobs in the area</li> <li><u>Creation of jobs in or near Areas of Concentrated Poverty</u></li> <li>Advances and promotes employment of local workers</li> <li>Preserves existing small businesses or provides space for local small businesses</li> <li><u>Opportunities for social interaction, through location or design, to increase community connections</u></li> <li><u>Local government applicant has policies/programs support Disadvantaged Business Enterprises</u></li> </ul>	12
Housing (Projects are scores as Jobs OR Housing projects, whichever scores higher)	<ul style="list-style-type: none"> <li>Provides or preserves housing <u>that contributes to a full range of housing choices that gives people in all life stages and of all economic means viable choices for safe, stable, and affordable homes</u></li> <li>Acceptance of Housing Choice Vouchers</li> <li>Evaluate project's potential to displace residents and/or mitigation efforts that address displacement</li> </ul>	12

**Commented [BT2]:** Allows new Connections criteria to have more impact

**Commented [BT1]:** Will allow evaluation of social connections which are an important part of creating livable communities

**Commented [BT3]:** Slightly lowers emphasis to allow more emphases on Connections category

**Commented [BT4]:** This criterion requires discussion, but staff does not have a specific recommendation at this time

**Commented [BT5]:** Social connections are an important part of creating livable communities

**Commented [BT6]:** DBE policies can be specifically evaluated, and we will be able to track this via the application

**Commented [BT7]:** Simpler description that comes directly from statute

Category	Criteria	Possible Points
Partnerships and Processes	<ul style="list-style-type: none"> <li>Partnership among government, private sector and local community</li> <li>Project fills an identified and specific community need</li> <li>Community engagement initiated early in the process</li> <li>Planning process is inclusive of and responsive to community participation, vision and leadership</li> <li>Clear engagement plan to maintain community involvement throughout the project</li> <li>Significant project changes trigger additional community engagement</li> </ul>	8
<b>Step One Total</b>	<i>Application must score 25 points or more to advance to the Step Two evaluation process</i>	<b>50</b>

Table 2. LCDA Step Two Evaluation Criteria

Category	Criteria	Possible Points
Innovation and Demonstration	<ul style="list-style-type: none"> <li>Demonstration value provided through: <ul style="list-style-type: none"> <li>New development concepts, strategies, or partnership in one or more Step One scoring areas</li> <li>Modeling LCDA goals as defined in statute or described in Step One criteria</li> <li>Using equitable development strategies when planning and/or designing project</li> <li><u>Ability to glean and share demonstration and/or innovation findings to other communities in the region</u></li> </ul> </li> </ul>	<del>30</del> 25
Catalyst	<ul style="list-style-type: none"> <li>Catalyze additional <u>development and private investment support/efforts that further community development goals</u></li> <li><u>Support wealth building for residents in the community where project is located</u></li> </ul>	10
Readiness Assessment	<ul style="list-style-type: none"> <li>Development can use fund within 3 years, based on: <ul style="list-style-type: none"> <li>Status of regulatory approvals</li> <li>Status of other funding commitments</li> <li>Partnerships are formal and committed</li> <li><u>Applicant capacity to manage grant partnership</u></li> </ul> </li> </ul>	<del>40</del> 15
<b>Step Two Total</b>		<b>50</b>
<b>Step One and Step Two Combined Total</b>	<i>Combined Step One and Step Two scores must total 60 to be considered for funding</i>	<b>100</b>

**Commented [BT9]:** Reduction in points for Innovation and Demonstration allows scoring to put greater emphasis on the capacity of the applicant to carry out the grant activities.

**Commented [BT8]:** Allows scoring to reflect impact of demonstration and incentivize efforts to replicate demonstration value

**Commented [BT10]:** Allows evaluation to consider broader catalytic potential and not inadvertently prioritize projects that may contribute to displacement

**Commented [BT11]:** This criterion requires discussion, but staff does not have a specific recommendation at this time

**Commented [BT13]:** Allows evaluation to put greater emphasis on the capacity of the applicant to carry out the grant activities.

**Commented [BT12]:** Lack of readiness has been an issue with LCDA grants in the past

LCDA Pre-development

Table 3. LCDA Pre-development Evaluation Criteria

Category	Criteria	Possible Points
Livable Communities Act Goals	<ul style="list-style-type: none"> <li>The project's ability to provide or assess the potential of the project to:                             <ul style="list-style-type: none"> <li>Intensify land use; increase diversity of land uses; improve the pedestrian/bicycle environment and encourage community interaction at the site</li> <li>Connect proposed and existing land uses; increase connections between housing, jobs, services, and amenities</li> <li>Conserve natural resources when feasible and follow sustainable site design practices</li> <li>Increase housing choice; further City achieving housing goals</li> </ul> </li> </ul>	11
Efficient Land Use and Site Design	<ul style="list-style-type: none"> <li>The project's ability to:                             <ul style="list-style-type: none"> <li>Intensified land use and increased density</li> <li>More diversity of uses in the project area</li> <li>Internal pedestrian circulation that is convenient, efficient and attractive</li> <li>A site design that encourages pedestrian/bicycle activity and active first floors</li> </ul> </li> </ul>	8
Connections	<ul style="list-style-type: none"> <li>How well the project will:                             <ul style="list-style-type: none"> <li>Use/maximize connections between housing, employment, education, retail and recreation</li> <li>Connect to surrounding area</li> <li>Incorporate short blocks with pedestrian connections</li> </ul> </li> </ul>	5
Environmental Design	<ul style="list-style-type: none"> <li>How well the project will:                             <ul style="list-style-type: none"> <li>Employ natural resources as community connections and amenities</li> <li>Utilize sustainable site design practices</li> </ul> </li> </ul>	5
Jobs	<ul style="list-style-type: none"> <li>How well the project:                             <ul style="list-style-type: none"> <li>Expands employment opportunities, emphasizing living wage jobs</li> <li>Plan to preserve existing local small businesses</li> </ul> </li> </ul>	5
Housing	<ul style="list-style-type: none"> <li>How well the project will:                             <ul style="list-style-type: none"> <li>Diversify housing options in the project and project area</li> <li>Provide a range of housing density, type, and cost</li> <li>Help achieve the city's affordable and life-cycle housing goals</li> </ul> </li> </ul>	9
Readiness	<ul style="list-style-type: none"> <li>The project or proposal's alignment with ability to implement the City's comprehensive or other local plans</li> </ul>	10/17

**Commented [BT17]:** Fewer points than the combined categories below to allow for more emphasis on readiness. There have been issues with project readiness in the past.

**Commented [BT15]:** Acknowledges pre-development projects may be at different stages – grants could be used to assess the feasibility of LCA goals and still compete with projects that are further along in the development process

**Commented [BT14]:** This is a new category that combines the following four categories. This simplifies and more concisely summarizes the LCA criteria projects should address.

**Commented [BT16]:** Social connections are a part of creating livability.

**Commented [BT18]:** Efficient Land Use and Site Design, Connections, Environmental Design, Jobs and Housing have been consolidated into one Livable Communities Act Goals category

**Commented [BT24]:** Lack of readiness has been an issue with pre-development grants in the past. Staff recommend reducing the scoring and criteria in acknowledgement of the early and often exploratory stages of most pre-development applications.

**Commented [BT19]:** Acknowledges predevelopment work may assess feasibility of alignment with local plans

**Commented [BT20]:** A 25% match is required, and additional funding may not be needed

	<ul style="list-style-type: none"> <li>The City has identified and secured financial commitments to move project forward</li> <li>The City has demonstrated political commitment for the project</li> <li>Proposed project is ready and applicant has ability to use the grant within 2 years (higher points awarded for projects further along the development continuum)</li> </ul>	
Demonstration Value and Catalytic Value	<ul style="list-style-type: none"> <li>Project provides demonstration value and generates area-wide benefits</li> <li>Extent to which pre-development activities will be a catalyst to implement the project</li> <li>Extent to which proposed development will catalyze additional development and private investment</li> </ul>	40
Demonstration Value	<ul style="list-style-type: none"> <li>Project can provide demonstration value and generate area-wide benefits</li> <li>Project or proposal includes process to share demonstration or innovation findings to other communities in the region</li> <li>Extent to which the project incorporates or assesses feasibility to incorporate new development strategies to support identified community needs/goals</li> <li>Project or proposal includes a plan to share findings when applicable and valuable</li> </ul>	10
Catalytic Value	<ul style="list-style-type: none"> <li>Extent to which pre-development activities will catalyze the LCA goals described above in the project of which it's a part, or in the project area</li> <li>Extent to which the project will support meeting identified community goals catalyze additional development and private investment to future project phases and/or the immediate area</li> </ul>	10
Partnerships and Process	<ul style="list-style-type: none"> <li>Proposal provides for meaningful and appropriate public engagement during the pre-development phase and beyond</li> <li>Proposal works with community partners to implement a displacement prevention strategy if needed</li> <li>Engagement includes a variety of stakeholders</li> </ul>	12
<b>Total</b>	Applications must score 30 or more points to receive funding consideration	<b>60</b>

**Commented [BT21]:** A resolution of support is required as part of the application, already indicating city support

**Commented [BT22]:** City's ability to administer the grant should be considered as this has been an issue in the past

**Commented [BT23]:** Prioritizing projects further along the development continuum is contrary to the intent of awarding pre-development funds

**Commented [BT25]:** Separating these criteria out into two separate categories as shown below better allows evaluation of each criterion more specifically

**Commented [BT26]:** Separates Demonstration value from Catalytic value to more clearly define criteria

**Commented [BT27]:** More clearly defines demonstration value criteria

**Commented [BT28]:** Separates Catalytic value from Demonstration value to more clearly define criteria

**Commented [BT29]:** Provides more clarity on what type of catalytic outcomes are being evaluated

**Commented [BT30]:** Acknowledges pre-development work may be catalytic in different ways than development ready projects

**Commented [BT31]:** Prioritizing projects that may catalyze additional development and private investment may lead to the funding of projects that cause displacement of existing residents and businesses

**Commented [BT34]:** Higher scoring to address importance of this category

**Commented [BT32]:** This criterion will be expanded upon in the application guide and be modeled after the public engagement and participation paragraph on page 77 of the 2040 Parks Policy Plan

**Commented [BT33]:** Allows evaluation to consider need for displacement mitigation

### Local Housing Incentives Account (LHIA)

LHIA funding is added to Minnesota Housing's annual Consolidated Request for Proposals. Because LHIA is a relatively small source of funding in this larger pot of funding, the evaluation process is not quantitative, but more flexible to ensure all affordable housing resources available to the region are being used in a streamlined way that maximizes the support available for all projects in the region. However, in addition to minimum requirements defined in statute, staff use the following criteria to guide LHIA award recommendations:



Staff use the following criteria from previous FDPs to guide LHIA award recommendations (note there is one proposed change):

- A significant component of the project must serve households with incomes at or below 680% of Area Median Income (AMI) with a minimum affordability term of 15 years for rental projects
- Grantees must have an adopted Fair Housing Policy in order to receive Livable Communities Act funding
- Projects must have affirmative fair housing marketing plans

**Commented [BT35]:** This reflects policy direction to focus funds where there is the most need

In addition, the previous year FDP included the following statement regarding the projects that the Council would prioritize. Staff have proposed additional criteria, underlined, for consideration:

- Rental proposals creating or preserving affordability for household earning at or below 30% AMI
- Proposals that serve large families by providing two or more-bedroom units
- Proposals meeting the needs of individuals and households experiencing long-term homelessness
- Proposals that consider displacement impact and mitigation strategies
- Proposals that provide a housing type not currently available or serve a population not currently served in or near the project area

**Commented [BT36]:** There is growing awareness that the potential for displacement is an important lens when considering housing investments

**Commented [BT37]:** Projects should expand housing choice to align with statute

### Tax Base Revitalization Account – Site Investigation

Table 4. TBRA Site Investigation Evaluation Criteria

Category	Criteria	Possible Points
Increase to the Tax Base	<ul style="list-style-type: none"> <li>• Increase to the tax base of the recipient municipality based on a redevelopment proposal.</li> </ul>	5
Access to jobs and/or affordable housing (and economic competitiveness)	<ul style="list-style-type: none"> <li>• Potential to increase or retain the number of new full-time equivalent jobs for the region through adaptive reuse, infill development or redevelopment</li> <li>• <del>Potential for construction of distribution facilities and commercial industrial space for freight-generating industries near regional intermodal freight terminals</del></li> <li>• Potential to add affordable rental or ownership housing units for households with incomes at or below 80% of Area Median Income (AMI) OR</li> <li>• Preserve existing affordable housing if                             <ul style="list-style-type: none"> <li>○ the building undergoes substantial rehabilitation</li> <li>○ ensures the extension of long-term affordability with income restrictions on tenants with incomes at or below 80% of Area Median Income (AMI) AND</li> <li>○ includes federal subsidy (e.g., project-based Section 8) as part of the redevelopment financing</li> </ul> </li> </ul>	5
Brownfield clean up / environmental health improvements	<ul style="list-style-type: none"> <li>• Investigation of the most contaminated sites to provide the greatest improvement in the environment and the greatest reduction in human health risk</li> <li>• <del>The site and suspected contamination will use green remediation practices.</del></li> </ul>	15

**Commented [BT38]:** This criterion is not a priority for 2020

**Commented [BT39]:** This criterion is not a priority for 2020

	<ul style="list-style-type: none"> <li>The applicant's capacity to oversee environmental investigations and successfully complete site cleanup with prior Council-funded environmental investigations</li> </ul>	
Orderly and Efficient Land Use	<ul style="list-style-type: none"> <li>Show how the investigation supports the Council's Thrive MSP 2040 goals by:</li> <li>Likelihood of potential development to increase the use of transit, and/or</li> <li>Supporting growth in the region through adaptive reuse, infill development or redevelopment</li> <li>The Council will give priority to the re-use of vacant or abandoned sites</li> </ul>	15
Readiness / Market demand	<ul style="list-style-type: none"> <li>Demonstrate readiness to proceed with cleanup-site investigation</li> <li>Demonstrate readiness to proceed with site cleanup</li> <li>Demonstrate market demand for proposed redevelopment elements in the project area and demonstrate readiness to implement the proposed project if/when TBRA funding is provided, including identifying a developer and commitments by occupants. or future owners</li> </ul>	15
Partnership	<ul style="list-style-type: none"> <li>Demonstrate established financial partnerships. Points are awarded for committing matching funds beyond the required minimum 25% match.</li> </ul>	5
<b>Total</b>	<i>Application must score 30 points or more to be considered for funding</i>	<b>60</b>

**TBRA – Contamination Cleanup**

Table 5. TBRA Contamination Cleanup Evaluation Criteria

Category	Criteria	Possible Points
Increase to the Tax Base	<ul style="list-style-type: none"> <li>Increase the tax base of the recipient municipality</li> <li>Add tax revenue in the near term. (Projects not in or not expected to be in a Tax Increment Finance district earn 5 points because all the affected tax jurisdictions benefit immediately)</li> </ul>	25

Category	Criteria	Possible Points
Access to jobs and/or affordable housing and economic competitiveness	<ul style="list-style-type: none"> <li>• Increase or retain the number of permanent jobs in the region</li> <li>• Increase job opportunities within micro-enterprises or new small businesses</li> <li>• Preserve and/or increase the number of permanent living wage jobs in the region</li> <li>• Increase permanent living wage jobs within and near areas of concentrated poverty</li> <li>• <del>Construction of distribution facilities and commercial-industrial space for freight-generating industries near regional intermodal freight terminals</del></li> <li>• Add affordable rental or ownership housing units for households with incomes at or below 80% of Area Median Income (AMI)</li> <li>• OR</li> <li>• Preserve existing affordable housing if <ul style="list-style-type: none"> <li>○ the building undergoes substantial rehabilitation:</li> <li>○ doing so ensures the extension of long-term affordability with income restrictions on tenants with incomes at or below 80% of Area Median Income (AMI) AND</li> <li>○ includes federal subsidy (e.g., project-based Section 8) as part of the redevelopment financing</li> </ul> </li> <li>• (A minimum of 20% of the total housing units proposed must be affordable for a project to be considered for affordable housing points, and the minimum term of affordability is 15 years.)</li> </ul>	25
Brownfield cleanup/environmental health improvements	<ul style="list-style-type: none"> <li>• Clean-up of the most contaminated sites to provide the greatest improvement in the environment and the greatest reduction in human health risk</li> </ul>	25
Orderly and Efficient Land Use	<p>Show how the cleanup and redevelopment project supports <i>Thrive MSP 2040</i> goals by:</p> <ul style="list-style-type: none"> <li>• Supporting growth in the region and around regional transit through adaptive reuse, infill development or redevelopment to make the best use of public and private investment</li> <li>• Support for private investment in Areas of Concentrated Poverty particularly investment related to wealth-building strategies such as new micro-enterprise or new small business</li> <li>• Accommodating growth through increased redevelopment density</li> <li>• Providing or preserving housing choices to give people in all life stages and of all economic means viable choices for</li> </ul>	35

Commented [BT40]: This criterion is not a priority for 2020

Category	Criteria	Possible Points
	<ul style="list-style-type: none"> <li>safe, stable and affordable homes including the willingness to accept Housing Choice Vouchers</li> <li>Conserving vital regional natural resources features and functions</li> <li>Conserving, restoring or protecting the region's water resources through environmentally sound opportunities for recharging groundwater with best management practices for stormwater</li> <li>Commitment to resilient energy infrastructure through the use of renewable energy sources</li> <li>Providing access to regional parks and trails and the transit network using a variety of modes of travel</li> <li>Showing consistency of proposed use with regional highway system and investments in the regional transit system and showing potential for growth in transit service</li> </ul>	
Readiness / Market demand	<ul style="list-style-type: none"> <li>Demonstrate readiness to proceed with project site cleanup</li> <li>Demonstrate market demand for proposed redevelopment elements in the project area and demonstrate readiness to promptly implement the proposed project if/when TBRA funding is provided, including identifying an end-stage developer and commitments by occupants</li> </ul>	25
Partnership	<ul style="list-style-type: none"> <li>Represent innovative partnerships among various levels of government and private for-profit and nonprofit sectors</li> </ul>	5
<b>Total</b>	<i>Application must score 70 points or more to be considered for funding</i>	<b>140</b>

***TBRA Seeding Equitable Environmental Development (SEED)***

Staff do not have recommended changes at this item, other than the discussion items included in the information item, but welcome questions or input from the Committee on the Criteria.

Table 6. SEED Evaluation Criteria

Category	Criteria	Possible Points
Increase to the Tax Base	<ul style="list-style-type: none"> <li>Increase the tax base of the recipient municipality</li> <li>Add tax revenue in the near term. (Projects not in or not expected to be in a Tax Increment Finance district earn 5 points because all the affected tax jurisdictions benefit immediately)</li> </ul>	25
Access to jobs and/or affordable housing and economic	<ul style="list-style-type: none"> <li>Increase or retain the number of permanent jobs in the region</li> <li>Increase job opportunities within micro-enterprises or new small businesses</li> </ul>	25

Category	Criteria	Possible Points
competitiveness	<ul style="list-style-type: none"> <li>• Preserve and/or increase the number of permanent living wage jobs in the region</li> <li>• Increase permanent living wage jobs within and near areas of concentrated poverty</li> <li>• Construction of distribution facilities and commercial-industrial space for freight-generating industries near regional intermodal freight terminals</li> <li>• Add affordable rental or ownership housing units for households with incomes at or below 80% of Area Median Income (AMI) OR</li> <li>• Preserve existing affordable housing if               <ul style="list-style-type: none"> <li>○ the building undergoes substantial rehabilitation:</li> <li>○ doing so ensures the extension of long-term affordability with income restrictions on tenants with incomes at or below 80% of Area Median Income (AMI) AND</li> <li>○ includes federal subsidy (e.g., project-based Section 8) as part of the redevelopment financing</li> </ul> </li> <li>• (A minimum of 20% of the total housing units proposed must be affordable for a project to be considered for affordable housing points, and the minimum term of affordability is 15 years.)</li> </ul>	
Brownfield clean-up/environmental health improvements	<ul style="list-style-type: none"> <li>• Clean-up of the most contaminated sites to provide the greatest improvement in the environment and the greatest reduction in human health risk</li> </ul>	25
Orderly and Efficient Land Use	<p>Show how the cleanup and redevelopment project supports Thrive MSP 2040 goals by:</p> <ul style="list-style-type: none"> <li>• Supporting growth in the region and around regional transit through adaptive reuse, infill development or redevelopment to make the best use of public and private investment</li> <li>• Support for private investment in Areas of Concentrated Poverty particularly investment related to wealth-building strategies such as new micro-enterprise or new small business</li> <li>• Accommodating growth through increased redevelopment density</li> <li>• Providing or preserving housing choices to give people in all life stages and of all economic means viable choices for safe, stable and affordable homes including the willingness</li> </ul>	35

Category	Criteria	Possible Points
	<ul style="list-style-type: none"> <li>to accept Housing Choice Vouchers</li> <li>Conserving vital regional natural resources features and functions</li> <li>Conserving, restoring or protecting the region's water resources through environmentally sound opportunities for recharging groundwater with best management practices for stormwater</li> <li>Commitment to resilient energy infrastructure through the use of renewable energy sources</li> <li>Providing access to regional parks and trails and the transit network using a variety of modes of travel</li> <li>Showing consistency of proposed use with regional highway system and investments in the regional transit system and showing potential for growth in transit service</li> </ul>	
Readiness/Market demand	<ul style="list-style-type: none"> <li>Demonstrate readiness to proceed with project site cleanup</li> <li>Demonstrate market demand for proposed redevelopment elements in the project area and demonstrate readiness to promptly implement the proposed project if/when TBRA funding is provided, including identifying an end-stage developer and commitments by occupants</li> </ul>	25
Partnership	<ul style="list-style-type: none"> <li>Represent innovative partnerships among various levels of government and private for-profit and nonprofit sectors</li> </ul>	5
<b>Total</b>	<i>Application must score 70 points or more to be considered for funding</i>	<b>140</b>

**LCDA – Transit Oriented Development (LCDA – TOD)**

Table 7. LCDA-TOD Step One Evaluation Criteria

Category	Criteria	Possible Points
TOD Design	<ul style="list-style-type: none"> <li>Demonstration of TOD principles and best practices in architecture, urban design, mobility, and equitable development</li> <li><u>Strategies to create human-scale environment, sense of place, and connections with other public spaces</u></li> <li>Strategies to support transit use, walking, biking and other alternatives to single-occupancy vehicles, <u>including those that reduce the need for automobile ownership, vehicular traffic, and parking</u></li> <li><u>Strategies to create equitable outcomes</u></li> <li>Intensity of future use of site and consistency with Council's Housing Policy Plan and Transportation Policy Plan</li> </ul>	20

**Commented [BT41]:** Adds important TOD principle to evaluation criteria

**Commented [BT42]:** Adds specific TOD principles to evaluation criteria

**Commented [BT43]:** Adds equitable outcomes to evaluation criteria

	<ul style="list-style-type: none"> <li>Degree to which project aligns with City TOD guidelines or area plans</li> </ul>	
Housing (Projects are scored as a “housing” or “jobs” project)	<ul style="list-style-type: none"> <li>Addition of affordable housing or preservation of affordable housing in station area</li> <li>Diversification of housing affordability and/or type within station area</li> <li>Acceptance of Housing Choice Vouchers</li> <li>Local policies that require affordable housing in TOD area</li> </ul>	20 (single use projects 15)
Jobs (Projects are scored as a “housing” or “jobs” project)	<ul style="list-style-type: none"> <li>Creation/preservation of permanent jobs with focus on living wage</li> <li>Creation of jobs in or near Areas of Concentrated Poverty</li> <li>Projects’ proximity to employment centers and ability to enhance local tax base</li> <li>Hiring and procurement goals that advance employment of local working and/or disadvantaged businesses</li> </ul>	
Mixed Use criteria (if applicable)	Mixed Use projects are scored on criteria above as well as on the type and diversity of uses within the project, <u>how they fit into the area’s context, and their compatibility with transit service</u>	
Transit Accessibility, Walkability, & Ridership	<ul style="list-style-type: none"> <li>Project makes the TOD area more transit-oriented or degree to which area is already supportive of transit users</li> <li>Project fulfills an identified need</li> <li>Quality of connections from the development to transit service and other uses through ped/bike friendly infrastructure</li> <li>An increase in transit ridership <u>Increases the share of ridership above that of a more conventional development</u></li> </ul>	15
Environmental Design	<ul style="list-style-type: none"> <li>Conserving water resources through best management practices or innovative design</li> <li><u>Reduces greenhouse gas emissions and carbon use through resilient</u> energy infrastructure, green building design, and/or inclusion or renewable energy sources</li> <li>Conservation of natural resource features and functions</li> </ul>	12
Process and Partnerships	<ul style="list-style-type: none"> <li>Partnerships among governments, private sector and local community</li> <li><u>Community engagement is authentic and initiated early in the planning process</u></li> <li>The project is inclusive of and responsive to community participation</li> </ul>	8
<b>Total</b>	Applications must score 45 or more points to advance to the Step Two evaluation process	<b>75</b>

**Commented [BT44]:** This criterion requires discussion, but staff does not have a specific recommendation at this time

**Commented [BT45]:** Adds more context to mixed-use proposal evaluations

**Commented [BT46]:** Allows evaluation of transit ridership in broader context

**Commented [BT47]:** Allows evaluation to focus more on outcomes

**Commented [BT48]:** This criterion will be expanded upon in the application guide with a description consistent with the public engagement and participation section on page 77 of the Parks Policy Plan

Table 8. LCDA-TOD Step Two Criteria

Category	List of Criteria	Possible Points
TOD Innovation and Demonstration	<ul style="list-style-type: none"> <li>Project's potential to provide area-wide benefits <u>and avoid or mitigate negative or unintended consequences</u></li> <li>Project's demonstration of TOD design principles <u>and/or innovative solutions to development challenges and constraints</u></li> <li>Using equitable development strategies when planning and/or designing project <u>and how it provides opportunities for people of all incomes levels, races, ethnicities, and abilities</u></li> </ul>	20
Catalyst	<ul style="list-style-type: none"> <li>Catalyze further intensification in TOD area, additional TOD, <u>and incent private investment into future project phases in the immediate area</u></li> <li>Support wealth building for residents in the community where project is located</li> </ul>	10
Readiness	<ul style="list-style-type: none"> <li><u>Development can use fund within 3 years, based on:</u> <ul style="list-style-type: none"> <li><u>Status of regulatory approvals</u></li> <li><u>Status of other funding commitments</u></li> <li><u>Partnerships are formal and committed</u></li> <li><u>Applicant capacity to manage grant partnership</u></li> </ul> </li> <li><u>Higher points for projects closest to "shovel ready/groundbreaking" stage</u></li> </ul>	15
<b>Step Two Total</b>		<b>50</b>
<b>Step One and Step Two Combined Total</b>	<i>Combined Step One and Step Two scores must total 75 to be considered for funding</i>	<b>125</b>

**Commented [BT49]:** Adds evaluation criteria for considering unintended consequences and mitigation strategies if needed

**Commented [BT50]:** Allows evaluation criteria to consider development context

**Commented [BT51]:** Additional criteria to consider regarding equitable development

**Commented [BT52]:** Avoids prioritizing projects that may contribute to displacement or other unintended consequences

**Commented [BT53]:** Staff does not have a specific recommendation at this time but seeks Committee input on this criterion

**Commented [BT54]:** Mirrors readiness criteria in LCDA program, specifying measures of readiness

### LCDA – TOD Pre-development

Table 9. LCDA-TOD Pre-development Evaluation Criteria for applications with an identified future project

Category	Criteria	Possible Points
Transit, Accessibility, Walkability, and Ridership	<ul style="list-style-type: none"> <li>Make or <u>assess potential of</u> TOD area to be more transit oriented OR degree to which existing area is already supportive of transit users considering diversity of uses, pedestrian environment, and transit connections</li> <li>Increase in transit ridership <u>beyond what would be expected with a conventional development</u></li> </ul>	10
TOD Design and Demonstration	<ul style="list-style-type: none"> <li>Exemplify TOD design and best practices or <u>assess ability of project to do so</u></li> <li>Intensify future use of site <u>or assess the ability of the project to do so</u></li> </ul>	15

**Commented [BT55]:** Allows evaluation to consider potential for these outcomes in addition to creating them

**Commented [BT56]:** Provides more context for evaluation of ridership impacts

**Commented [BT57]:** Allows evaluation to consider potential for these outcomes in addition to creating them



Category	Criteria	Possible Points
Housing	<ul style="list-style-type: none"> <li>Produces affordable housing <del>or assesses the ability of the project to do so</del></li> <li>Creates or preserves a mix of housing affordability within the station area <del>or assesses the ability of the project to do so</del></li> </ul>	10
Jobs	<ul style="list-style-type: none"> <li>Creates or preserves <del>or assesses the project's ability to create or preserve</del> employment opportunities, focusing on retaining/attracting locally owned businesses and workers</li> </ul>	5
Catalytic Value	<ul style="list-style-type: none"> <li>Extent to which pre-development activities will catalyze the project of which it's a part</li> <li>Leads to a development that has demonstration value <del>and includes how information gained that would be valuable to other communities in the region would be shared</del></li> <li><del>Catalyzes additional TOD and incentivizes private investment in the immediate area</del></li> </ul>	15
Partnerships and Readiness	<ul style="list-style-type: none"> <li>Pre-development activities provide for meaningful and appropriate public engagement with the communities most impacted by the project</li> <li>City has identified and secured financial commitments to move the project forward</li> <li>Proposed project is ready and able to use the grant within 2 years <del>(Higher points will be given for more advanced projects on the pre-development continuum)</del></li> <li><del>City has demonstrated political commitment for the future development project</del></li> </ul>	10
<b>Total</b>	<i>Applications must score 39 or more points to receive funding consideration</i>	<b>65</b>

**Commented [BT58]:** Allows evaluation to consider potential of these outcomes in addition to creating them

**Commented [BT59]:** Allows assessing jobs impact to be considered in addition to creating a jobs impact

**Commented [BT60]:** Incentivizes projects that have a plan to share what is learned from the pre-development activities

**Commented [BT61]:** Eliminates prioritizing projects that could contribute to displacement of existing residents and businesses

**Commented [BT62]:** Prioritizing pre-development activities based on development readiness is contrary to intention of pre-development program

**Commented [BT63]:** Cities are the application which provides a sufficient sign of local support

Table 10. LCDA-TOD Pre-development Evaluation Criteria for applications for TOD zoning implementation

Category	Criteria	Possible Points
Transit, Accessibility, Walkability, and Ridership	<ul style="list-style-type: none"> <li>Improve the pedestrian and bike environment within the station area through circulation improvements, increased connections and intersection density, and public realm requirements</li> </ul>	20
TOD Design and Demonstration	<ul style="list-style-type: none"> <li><del>Exemplify TOD design and best practices by regulating such elements as land use and built form, design standards, environmental design, pedestrian zones, and parking</del></li> </ul>	25

	<ul style="list-style-type: none"> <li>Leads to a regulatory change that has demonstration value and includes how change will be evaluation and findings shared throughout the region</li> </ul>	
Catalytic Value	<ul style="list-style-type: none"> <li>Position TOD area for high quality TOD design</li> <li>Position TOD area for additional TOD development in a way that limits or mitigates displacement of existing residents or businesses</li> <li>Catalyzes additional TOD and incentivizes private investment in the immediate area</li> </ul>	10
Partnerships and Readiness	<ul style="list-style-type: none"> <li>Pre-development activities provide for meaningful and appropriate public engagement with the communities most impacted by the project</li> <li>City has identified and secured financial commitments to move the project forward</li> <li>City has demonstrated political commitment for the proposed zoning ordinance</li> </ul>	15
<b>Total</b>	<i>Applications must score 39 or more points to receive funding consideration</i>	<b>65</b>

**Commented [BT64]:** Ensures replicable regulatory changes will be shared with the region

**Commented [BT65]:** More nuanced criterion that acknowledges benefit of catalytic value in the context of limiting displacement

**Commented [BT66]:** This criterion may prioritize projects that could displace existing residents and businesses

**Commented [BT67]:** Cities are the applicant – this is a sufficient sign of political support